

Adopted	Rejected
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## COMMITTEE REPORT

YES:	7
NO:	0

### MR. SPEAKER:

*Your Committee on* Public Policy, to which was referred House Bill 1286, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 charitable and type II gaming issues.
- 4 Page 2, delete lines 8 through 37, begin a new paragraph and insert:
- 5 "SECTION 2. IC 4-32.2-2-7.5 IS ADDED TO THE INDIANA
- 6 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 7 [EFFECTIVE JULY 1, 2009]: **Sec. 7.5. "Bona fide fraternal**
- 8 **organization" means a type of bona fide civic organization that:**
- 9 **(1) is a branch, lodge, or chapter of a national organization;**
- 10 **and**
- 11 **(2) exists for the common charitable purposes, brotherhood,**
- 12 **or other interests of its members.**
- 13 SECTION 3. IC 4-32.2-2-23.5 IS ADDED TO THE INDIANA
- 14 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 15 [EFFECTIVE JULY 1, 2009]: **Sec. 23.5. "Qualified drawing" means**
- 16 **a random drawing to award one (1) or more prizes that is**

1 **conducted in the manner required by IC 4-36-5-1(c).**

2 SECTION 4. IC 4-32.2-2-24, AS AMENDED BY P.L.227-2007,  
3 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 2009]: Sec. 24. (a) "Qualified organization" ~~means:~~ **refers to**  
5 **any of the following:**

6 (1) A bona fide religious, educational, senior citizens, veterans,  
7 or civic organization operating in Indiana that:

8 (A) operates without profit to the organization's members;

9 (B) is exempt from taxation under Section 501 of the Internal  
10 Revenue Code; and

11 **(C) satisfies at least one (1) of the following requirements:**

12 **(i) The organization** has been continuously in existence in  
13 Indiana for at least five (5) years. ~~or~~

14 **(ii) The organization** is affiliated with a parent organization  
15 that has been in existence in Indiana for at least five (5)  
16 years.

17 **(iii) The organization has reorganized and is continuing**  
18 **its mission under a new name on file with the Indiana**  
19 **secretary of state and with a new tax identification**  
20 **number after having satisfied the requirements set forth**  
21 **in either item (i) or (ii).**

22 (2) A bona fide political organization operating in Indiana that  
23 produces exempt function income (as defined in Section 527 of  
24 the Internal Revenue Code). ~~or~~

25 (3) A state educational institution (as defined in ~~IC 20-12-0.5-1~~):  
26 **IC 21-7-13-32).**

27 (b) For purposes of IC 4-32.2-4-3, a "qualified organization"  
28 includes the following:

29 (1) A hospital licensed under IC 16-21.

30 (2) A health facility licensed under IC 16-28.

31 (3) A psychiatric facility licensed under IC 12-25.

32 (4) An organization defined in subsection (a).

33 (c) For purposes of IC 4-32.2-4-10, a "qualified organization"  
34 includes a bona fide business organization.

35 **(d) Evidence that an organization satisfies subsection**  
36 **(a)(1)(C)(iii) includes:**

37 **(1) evidence of the organization's continued use of a service**  
38 **mark or trademarked logo associated with the organization's**

- 1           **former name;**
- 2           **(2) evidence of the continuity of the organization's activities**
- 3           **as shown in the federal income tax returns filed for the**
- 4           **organization's five (5) most recent taxable years;**
- 5           **(3) evidence of the continuity of the organization's activities**
- 6           **as shown by the five (5) most recent annual external financial**
- 7           **reviews of the organization prepared by a certified public**
- 8           **accountant; or**
- 9           **(4) any other information considered sufficient by the**
- 10          **commission.**

11           SECTION 5. IC 4-32.2-4-7.5, AS ADDED BY P.L.227-2007,  
 12           SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 13           JULY 1, 2009]: Sec. 7.5. (a) ~~Subject to~~ **This section applies only to a**  
 14           **qualified organization described in** subsection (h). The commission  
 15           may issue an annual charity game night license to a qualified  
 16           organization if:

- 17           (1) the provisions of this section are satisfied; and
- 18           (2) the qualified organization:
  - 19           (A) submits an application; and
  - 20           (B) pays a fee set by the commission under IC 4-32.2-6.

21           (b) The commission may hold a public hearing to obtain input on  
 22           the proposed issuance of an annual charity game night license to an  
 23           applicant that has never held an annual charity game night license  
 24           under this article.

25           (c) The first time that a qualified organization applies for an annual  
 26           charity game night license, the qualified organization shall publish  
 27           notice that the application has been filed by publication at least two (2)  
 28           times, seven (7) days apart, as follows:

- 29           (1) In one (1) newspaper in the county where the qualified  
 30           organization is located.
- 31           (2) In one (1) newspaper in the county where the allowable events  
 32           will be conducted.

33           (d) The notification required by subsection (c) must contain the  
 34           following:

- 35           (1) The name of the qualified organization and the fact that it has  
 36           applied for an annual charity game night license.
- 37           (2) The location where the charity game night events will be held.
- 38           (3) The names of the operator and officers of the qualified

- 1 organization.
- 2 (4) A statement that any person can protest the proposed issuance
- 3 of the annual charity game night license.
- 4 (5) A statement that the commission shall hold a public hearing
- 5 if ten (10) written and signed protest letters are received by the
- 6 commission.
- 7 (6) The address of the commission where correspondence
- 8 concerning the application may be sent.
- 9 (e) If the commission receives at least ten (10) protest letters, the
- 10 commission shall hold a public hearing in accordance with IC 5-14-1.5.
- 11 The commission shall issue a license or deny the application not later
- 12 than sixty (60) days after the date of the public hearing.
- 13 (f) A license issued under this section:
- 14 (1) may authorize the qualified organization to conduct charity
- 15 game night events on more than one (1) occasion during a period
- 16 of one (1) year;
- 17 (2) must state the locations of the permitted charity game night
- 18 events;
- 19 (3) must state the expiration date of the license; and
- 20 (4) may be reissued annually upon the submission of an
- 21 application for reissuance on the form established by the
- 22 commission and upon the licensee's payment of a fee set by the
- 23 commission.
- 24 (g) Notwithstanding subsection (f)(4), the commission may hold a
- 25 public hearing for the reissuance of an annual charity game night
- 26 license if at least one (1) of the following conditions is met:
- 27 (1) An applicant has been cited for a violation of law or a rule of
- 28 the commission.
- 29 (2) The commission receives at least ten (10) protest letters
- 30 concerning the qualified organization's charity game night
- 31 operation.
- 32 (3) A public hearing is considered necessary by the commission.
- 33 (h) ~~Notwithstanding IC 4-32.2-2-24, this section applies only to: A~~
- 34 **qualified organization may apply for an annual charity game night**
- 35 **license under this section if the qualified organization is:**
- 36 (1) a bona fide ~~civic~~ **fraternal** organization; or
- 37 (2) a bona fide veterans organization;
- 38 that has been continuously in existence in Indiana for ten (10) years. ~~A~~

1 qualified organization that is not described in this subsection may not  
 2 apply for an annual charity game night license under this section:

3 (i) **A facility or location may not be used for purposes of**  
 4 **conducting an annual charity game night event on more than three**  
 5 **(3) calendar days per calendar week regardless of the number of**  
 6 **qualified organizations conducting an annual charity game night**  
 7 **event at the facility or location.**

8 SECTION 6. IC 4-32.2-4-13, AS AMENDED BY P.L.95-2008,  
 9 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10 JULY 1, 2009]: Sec. 13. (a) A bingo license or special bingo license  
 11 may also authorize a qualified organization to conduct raffle events and  
 12 door prize drawings and sell pull tabs, punchboards, and tip boards at  
 13 the bingo event.

14 (b) A charity game night license may also authorize a qualified  
 15 organization to:

16 (1) conduct raffle events and door prize drawings; and

17 (2) sell pull tabs, punchboards, and tip boards;

18 at the charity game night.

19 (c) A raffle license or an annual raffle license may also authorize a  
 20 qualified organization to conduct door prize drawings and sell pull  
 21 tabs, punchboards, and tip boards at the raffle event.

22 (d) A door prize license or an annual door prize license may also  
 23 authorize a qualified organization to conduct a raffle event and to sell  
 24 pull tabs, punchboards, and tip boards at the door prize event.

25 (e) A PPT license may also authorize a qualified organization to  
 26 conduct ~~at any time~~ on the premises described in section 16.5(b) of this  
 27 chapter ~~a winner take all drawing in which the qualified organization~~  
 28 ~~retains no portion of the amounts wagered. The total amount awarded~~  
 29 ~~to a patron who participates in a winner take all drawing may not~~  
 30 ~~exceed three hundred dollars (\$300).~~ **qualified drawings in the**  
 31 **manner required by IC 4-32.2-5-24.**

32 SECTION 7. IC 4-32.2-5-8, AS AMENDED BY P.L.227-2007,  
 33 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 34 JULY 1, 2009]: Sec. 8. (a) If ~~facilities are~~ **a facility or location is**  
 35 leased for an allowable event, the rent may not be based in whole or in  
 36 part on the revenue generated from the event.

37 (b) **Subject to the additional restrictions on the use of a facility**  
 38 **or location that are set forth in IC 4-32.2-4-7.5(i), a facility or**

1 **location** may not be rented for more than three (3) days during a  
2 calendar week for an allowable event.

3 (c) If personal property is leased for an allowable event, the rent  
4 may not be based in whole or in part on the revenue generated from the  
5 event.

6 SECTION 8. IC 4-32.2-5-14, AS AMENDED BY P.L.95-2008,  
7 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
8 JULY 1, 2009]: Sec. 14. (a) **Except as provided by subsection (c)**, an  
9 operator or a worker may not directly or indirectly participate, other  
10 than in a capacity as an operator or a worker, in an allowable event that  
11 the operator or worker is conducting.

12 (b) A patron at a charity game night may deal the cards in a card  
13 game if:

14 (1) the card game in which the patron deals the cards is a game of  
15 euchre;

16 (2) the patron deals the cards in the manner required in the  
17 ordinary course of the game of euchre; and

18 (3) the euchre game is played under the supervision of the  
19 qualified organization conducting the charity game night in  
20 accordance with rules adopted by the commission under  
21 IC 4-32.2-3-3.

22 A patron who deals the cards in a euchre game conducted under this  
23 subsection is not considered a worker or an operator for purposes of  
24 this article.

25 **(c) This subsection does not apply to the operator of a festival**  
26 **event. A worker assisting a qualified organization in the conduct of**  
27 **a festival event may make a wager on any game of chance**  
28 **authorized by the qualified organization's festival license except for**  
29 **a game of chance that the worker personally conducts or helps**  
30 **conduct during the festival event.**

31 SECTION 9. IC 4-32.2-5-24 IS ADDED TO THE INDIANA CODE  
32 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
33 1, 2009]: Sec. 24. (a) **A qualified drawing must be conducted in the**  
34 **manner required by this section.**

35 **(b) A qualified drawing is subject to the following rules and**  
36 **limitations:**

37 **(1) The purchase price for a chance to win a prize in a**  
38 **qualified drawing may not exceed five dollars (\$5).**

1           (2) All tickets that a qualified organization sells in a qualified  
2           drawing must have been purchased by the qualified  
3           organization from a licensed distributor.

4           (3) The total value of all prizes that may be won in a  
5           particular qualified drawing may not exceed three hundred  
6           dollars (\$300) for any of the following:

7                 (A) A daily drawing.

8                 (B) A weekly drawing.

9                 (C) A monthly drawing.

10          (4) A qualified drawing must be conducted in accordance with  
11          the following limitations:

12                (A) Not more than one (1) daily drawing may be conducted  
13                each day.

14                (B) Not more than one (1) weekly drawing may be  
15                conducted each week.

16                (C) Not more than one (1) monthly drawing may be  
17                conducted each month.

18          A weekly or monthly drawing may be conducted on the same  
19          day that a daily drawing is conducted.

20          (5) Except as otherwise provided in this section, a patron must  
21          be present to claim a prize awarded in a qualified drawing.

22          (6) A qualified organization may not profit from conducting  
23          a qualified drawing.

24          (7) All amounts wagered on qualified drawings must be  
25          returned to a qualified organization's patrons in the form of  
26          prizes.

27          (8) A qualified organization may not conduct a qualified  
28          drawing or any other event in which the winner of the prize  
29          is determined, in whole or in part, by a sporting event.

30          (9) A qualified drawing must conspicuously display the  
31          following information concerning each qualified drawing  
32          conducted by the qualified drawing:

33                (A) The price of a ticket.

34                (B) The time of the drawing.

35                (C) The description and value of the prizes awarded in the  
36                drawing.

37                (D) The manner in which a prize may be claimed.

38          (c) A prize may be awarded under subsection (d) to a patron

1 who is not present at the time of the qualified drawing if the patron  
 2 provides the patron's name, address, and telephone number to the  
 3 qualified organization before the drawing to enable the qualified  
 4 organization to award the prize to the patron at a later time. If the  
 5 winning patron has not provided the information required by this  
 6 subsection to the qualified organization before the drawing, the  
 7 qualified organization must continue drawing tickets in the  
 8 qualified drawing until there is a winner who:

9 (1) is present to claim the prize; or

10 (2) has provided the information required by this subsection  
 11 to enable the qualified organization to award the prize to the  
 12 patron under subsection (d).

13 (d) When the winning patron is not present to claim a prize but  
 14 has provided the information required by subsection (c) to the  
 15 qualified organization, the qualified organization shall award the  
 16 prize in the following manner:

17 (1) The qualified organization shall immediately notify the  
 18 winning patron by telephone that the patron's name was  
 19 drawn in a qualified drawing and that the patron has  
 20 seventy-two (72) hours after the time of the telephone  
 21 notification to claim the prize.

22 (2) The winning patron must appear at the premises of the  
 23 qualified organization within seventy-two (72) hours after the  
 24 time of the notification under subdivision (1) to claim the  
 25 prize in person.

26 (3) The qualified organization shall verify the identity of the  
 27 winning patron and award the prize.

28 (e) If a winning patron fails to claim a prize in the manner  
 29 required by subsection (d), the qualified organization shall carry  
 30 the prize over to a later qualified drawing as follows:

31 (1) An unclaimed prize from a daily drawing must be carried  
 32 over to the next daily drawing.

33 (2) An unclaimed prize from a weekly drawing must be  
 34 carried over to the next weekly drawing.

35 (3) An unclaimed prize from a monthly drawing must be  
 36 carried over to the next monthly drawing.

37 SECTION 10. IC 4-32.2-6-0.5, AS ADDED BY P.L.95-2008,  
 38 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

JULY 1, 2009]: Sec. 0.5. As used in this chapter, "gross revenue" does not include any amount wagered on a ~~winner take all~~ **qualified** drawing conducted by a qualified organization under IC 4-32.2-4-13(e).

SECTION 11. IC 4-32.2-9-9, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. **(a)** Information obtained by the commission during the course of an investigation conducted under this chapter is confidential.

**(b) A driver's license number or other identifying information of an operator or worker that is submitted to the commission on an application for a license under this article is confidential."**

Page 3, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 14. IC 4-36-4-5, AS ADDED BY P.L.95-2008, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The commission shall charge the following fees for the issuance of a person's initial annual endorsement or license under this chapter:

- (1) Two hundred fifty dollars (\$250) for a retailer's endorsement to conduct a type II gambling operation in the retailer's tavern.
- (2) One thousand dollars (\$1,000) for a distributor's license.
- (3) One thousand five hundred dollars (\$1,500) for a manufacturer's license.

(b) The commission shall charge the following fees for the renewal of a person's annual endorsement or license under this chapter:

- (1) The ~~amount determined under section 6 of this chapter~~ **following amounts** for a retailer's endorsement:

**(A) One hundred dollars (\$100) in the case of a retailer that had adjusted gross revenues of less than twenty-five thousand dollars (\$25,000) in the previous year.**

**(B) Two hundred fifty dollars (\$250) in the case of a retailer that had adjusted gross revenues of at least twenty-five thousand dollars (\$25,000) but less than fifty thousand dollars (\$50,000) in the previous year.**

**(C) Five hundred dollars (\$500) in the case of a retailer that had adjusted gross revenues of at least fifty thousand dollars (\$50,000) but less than one hundred thousand dollars (\$100,000) in the previous year.**

**(D) One thousand dollars (\$1,000) in the case of a retailer**

1                   **that had adjusted gross revenues of at least one hundred**  
 2                   **thousand dollars (\$100,000) in the previous year.**

3                   (2) One thousand dollars (\$1,000) for a distributor's license.

4                   (3) One thousand five hundred dollars (\$1,500) for a  
 5                   manufacturer's license.

6                   **(c) A retailer shall report the amount of the retailer's adjusted**  
 7                   **gross receipts on the form required to renew the retailer's**  
 8                   **endorsement. The renewal fee required under subsection (b)(1)**  
 9                   **must be submitted with the renewal form.**

10                  ~~(c)~~ **(d)** The commission shall deposit all fees collected under this  
 11                  chapter into the enforcement and administration fund established under  
 12                  IC 7.1-4-10."

13                  Page 3, line 10, strike "subsection (c)," and insert "**section 5(b)(1)**  
 14                  **of this chapter,**".

15                  Page 3, strike lines 27 through 42.

16                  Page 4, strike lines 1 through 11.

17                  Page 7, delete lines 29 through 30, begin a new paragraph and  
 18                  insert:

19                  "SECTION 22. IC 4-36-2-16 IS REPEALED [EFFECTIVE JULY  
 20                  1, 2009].

21                  SECTION 23. **An emergency is declared for this act.**".

22                  Renumber all SECTIONS consecutively.

(Reference is to HB 1286 as introduced.)

**and when so amended that said bill do pass.**

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Representative Van Haften